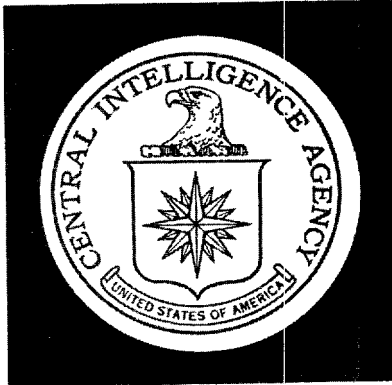


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

State Dept. review
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C O N T E N T S

(Information as of noon EST, 11 April 1968)

Far East

	<u>Page</u>
THE WEEK IN PERSPECTIVE	1
VIETNAM	3

Hanoi has followed up its announced willingness to meet US officials for preliminary talks with propaganda designed to show there has been no change in its terms for a negotiated settlement. Moscow, though surprised by Hanoi's positive response, is proclaiming its support. Peking has attacked President Johnson and ignored Hanoi's move. The South Vietnamese are apprehensive over the possibility of US-DRV contacts.

25X1

Europe

THE WEEK IN PERSPECTIVE	7
FRANCE REJECTS SOVIET PROPOSAL FOR SPACE COOPERATION	8

Moscow's latest effort to expand Franco-Soviet space cooperation, a proposal to set up a global communications system using satellites built jointly by the two countries, has been rebuffed by Paris.

25X1

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SECRET

MOSCOW CALLS FOR BLOC UNITY AND DISCIPLINE AT HOME

9

Moscow's preoccupation with developments within and among the East European nations and the impact of those developments on the Soviet Union dominated the central committee meeting that ended on 10 April.

25X6

USSR INCREASING HELICOPTER SALES TO THE WEST

13

The USSR is finding Western markets increasingly receptive to its helicopters, which formerly sold primarily in connection with military aid pacts. Prospective purchasers now include public agencies in the underdeveloped countries and private business corporations in Western industrial countries.

NEW CZECHOSLOVAK REGIME TO SLOW POLITICAL CHANGES

14

The keynotes in the party's immediate future will be moderation and stabilization.

CZECH LEADERS PUSH ECONOMIC REFORMS

16

The new Czech regime is proceeding cautiously but resolutely with its economic reform program. In time, it may attract some of the foreign aid and investment it needs to overcome its heritage of severe economic problems.

POLISH PARTY STRUGGLE CONTINUES

17

At the present time, no single faction appears to command a majority within the party, but the continuing struggle is already producing major changes in top government posts and will lead to subsequent shifts in the upper reaches of the party.

Middle East - Africa

THE WEEK IN PERSPECTIVE

19

ISRAEL TOUGHENS REPRISAL TACTICS AGAINST JORDAN

20

Israel has apparently adopted a policy of immediate retaliation for terrorist acts, even as pressure increases in Jordan for the regime to adopt a more militant posture toward Israel.

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Western Hemisphere

THE WEEK IN PERSPECTIVE

21

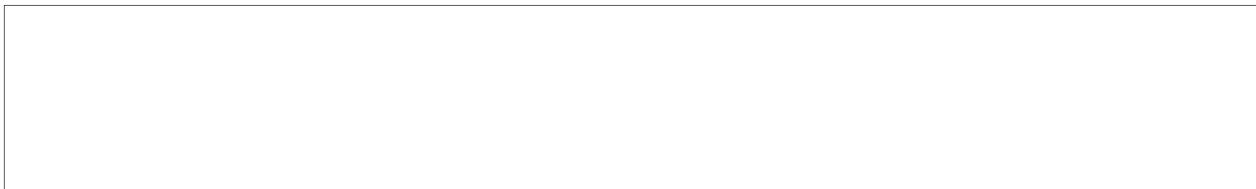


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POLITICAL TENSION STILL SIMMERING IN BRAZIL

23

The student disorders that swept the nation last week have subsided, but criticism of the government continues.



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PANAMA OPPOSITION CANDIDATE FACES TOUGH ELECTION FIGHT

24

Opposition presidential candidate Arnulfo Arias has a difficult path ahead of him because the Robles government is firmly entrenched in a position to determine the outcome of the elections and has the solid support of the National Guard.

HONDURAN OPPOSITION PULLS OUT OF GOVERNMENT

25

Fraud and violence during recent elections will probably end preliminary steps toward cooperation between the opposition and the government, and Honduras seems likely to suffer more political instability than it has for the past four years.

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FAR EAST

Hanoi is carefully preparing its case for demanding a complete cessation of US bombing and "other acts of war" in the projected "contact" with US representatives. The relative lull in Communist military action in South Vietnam, particularly the failure to offer significant resistance to US forces that relieved the siege of Khe Sanh and reoccupied the Lang Vei Special Forces camp, suggests that Hanoi may be seeking to convey an impression of restraint in anticipation of talks.

The North Vietnamese have also attempted to increase the US incentive to halt the bombing completely by publicly declaring that peace negotiations could begin immediately if the US took this action. Hanoi appears to be ready to open the preliminary talks promptly, but its rejection of Geneva as the site for a meeting apparently reflects a determination to avoid any suggestion that the talks will deal with a political settlement.

The North Vietnamese regime is taking steps to avert any relaxation or exaggerated hopes among its own people and the Viet Cong forces. Hanoi's domestic propaganda has stressed that its terms for a settlement remain unchanged and has predicted another bitter round of fighting as the war enters a new stage. There has been no decline in the heavy infiltration of Northern troops into South Vietnam.

The Chinese Communists cautiously waited until two days after Hanoi declared its willingness to contact US representatives before breaking their silence on the projected talks. A Peking broadcast avoided comment on Hanoi's offer and directed its fire at President Johnson's address. Despite this implied warning regarding US intentions, there is no indication that the Chinese have made any serious attempt to derail preliminary US - North Vietnamese talks.

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VIETNAM

Following up its agreement of 3 April to meet with US officials, Hanoi moved quickly to explain to its own people and to its principal foreign allies that these "contacts" will have a very limited purpose. The North Vietnamese have said the meetings are to be bilateral and at the ambassadorial level, and they initially indicated a clear preference for Phnom Penh as the site.

Hanoi's propaganda stridently insists that the proposed meetings are only for the purpose of discussing a full US cessation of the bombings. In addition, the foreign minister told a CBS correspondent that the preliminary talks could also be used to discuss the "time, place, and date of the formal talks." In its propaganda, Hanoi remains uncompromising and employs the usual verbal ambiguities. References to the crucial issue of reciprocal North Vietnamese restraint, for example, are carefully phrased, pointing out that Hanoi has always refused to consider reciprocity in the past. There has been no reference, however, as to what they will do in the future.

Other North Vietnamese commentary depicts "business as usual" on the war front. There are almost daily charges of extensive bomb damage to populated

areas south of the 20th parallel, accompanied by complaints of reconnaissance overflights above this line, and exaggerated accounts of the level of fighting in the South. The US has been accused of one deliberate violation of the bombing restriction, but this has been played in low key.

Most of the propaganda seems designed to convince Communists in the South that they are not being abandoned and to steel the North Vietnamese population for continuing heavy burdens of the war effort. One commentary predicted that the war had entered a new phase and that extremely bitter fighting could be expected. Hanoi appears anxious to demonstrate that it is acting from a position of strength and that its flexibility in establishing contact with the US is no indication of any backtracking on its terms for a negotiated settlement.

Soviets Surprised and Pleased

Hanoi's response to President Johnson's speech of 31 March caught the Soviet leaders by surprise. Moscow's propaganda indicated that the Russians assumed there would be no positive response, suggesting that the North Vietnamese deemed it neither necessary nor desirable to solicit

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Soviet advice before making their move.

There is little doubt, however, that the USSR welcomes the recent sequence of events. After the fact, the Soviet Government on 5 April accorded Hanoi's position "full support." Nevertheless, Soviet leaders are probably not overly optimistic. The only comment by a high official has been an exceptionally harsh one delivered by trade union leader Shelepin in Moscow on 8 April. The Soviet press, however, subsequently deleted his most severe criticism. Soviet press and radio comment continues to show cautious approval of the recent developments, while placing the onus on the US to make further moves toward de-escalation.

Peking Fails to Comment

Communist China has not yet commented publicly on Hanoi's

statement of 3 April, but has attacked President Johnson's proposal as another "big fraud."

Saigon is Apprehensive

The South Vietnamese appear to be increasingly concerned that the US will not make an effort to protect their interests in forthcoming contacts with North Vietnam. These fears have been expressed by various political groups as well as by several prominent individuals in the National Assembly. Both houses of the assembly have adopted resolutions demanding that the South Vietnamese be given a decision-making role and rejecting a coalition government. To express South Vietnam's determination to fight on alone if necessary, the Thieu government this week presented to the assembly a plan for general mobilization to go into effect as early as May. The assembly had earlier indicated its support for such a measure.

President Thieu and Vice President Ky appear to be working better together in the face of the "crisis," although there are still apparently underlying frictions. Ky, for the moment, is busy with his People's Army, the

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new civilian defense organization, and is reported to be pleased with Thieu's public delegation of these duties to him.

The Ground War

The letup in large-scale Communist military activity throughout most of South Vietnam continued this week.

Major new allied spoiling operations are under way against enemy forces in several strategic areas of the country. In the far northwestern sector, an 18-battalion allied force has linked up with the long-besieged Khe Sanh garrison and has begun offensive thrusts outward in all directions from the base. The scattered resistance so far offered by elements of the NVA 304th Division tends to confirm the withdrawal of significant enemy concentra-

tions from the area and the enemy's intention to avoid making an all-out stand in western Quang Tri Province.

Meanwhile, in the coastal areas of the northern provinces, US Army troops sweeping the area between Quang Tri city and Hue failed to make significant contact with NVA main force units in the area.

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the Communists are currently stressing efforts "to ensure adequate replacement personnel and materials to carry on large-scale operations during the summer and fall of 1968." In the interim, the enemy is maintaining pressures against selected allied military targets and lines of communications while conducting small-unit actions and attacks against remote outposts.

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EUROPE

Political changes continued to reverberate during the week in both Czechoslovakia and Poland, inspiring fresh anxieties elsewhere in Eastern Europe and in the Soviet Union.

In Moscow, these developments and their disturbing impact inside the USSR were the main concern at a plenum meeting of the party central committee. The Bulgarians and East Germans also continued to exhibit stress symptoms that pressures for "liberalization" might be generated in their countries.

The situation in Poland showed no signs of settling down. On the contrary, factional turbulence increased, bringing a government shakeup and widespread purges at the middle and lower levels of the party. New outbreaks of public unrest may occur.

In Prague, the new government appeared to be seeking to slow the pace of political change. The composition of the new party and government leaderships reflects a nice balance between conservatives and liberals, which will probably tend to promote stability.

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FRANCE REJECTS SOVIET PROPOSAL FOR SPACE COOPERATION

Paris apparently has rebuffed Moscow's latest effort to expand Franco-Soviet cooperation in the communications satellite field. [REDACTED]

[REDACTED] the Soviets proposed setting up a global communications system using satellites built jointly by the two countries. The first satellite would have been launched in about two years.

[REDACTED] it is almost certain to be rejected because of the opposition of Maurice Schumann, minister of state of scientific research. [REDACTED]

the French Government hereafter will restrict its cooperation with the USSR in the telecommunications field to the continuation of test transmissions via Molniya satellites.

Moscow made two similar, though less concrete, proposals to the French in 1966, and Paris then cited its commitment to the

International Telecommunications Satellite Consortium (INTELSAT) as the reason for declining. As a member of INTELSAT, France has agreed not to make commercial use of any other system. The USSR is not a member.

[REDACTED] a full review of future space cooperation with the USSR is now under way at the ministerial level. There are indications that restrictions on space cooperation with the Soviets will be extended beyond the telecommunications field. Soviet scientists have been permitted to make visits to Kerguelen Island, in the southern Indian Ocean, as part of joint space studies. The French, however, are refusing Soviet requests for long-term or semipermanent research facilities there. The French also have turned down a Soviet bid to set up and use a communications station in French Guiana during Soviet manned space flights. Paris reportedly is reluctant to allow any Soviet presence in Guiana. [REDACTED]

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MOSCOW CALLS FOR BLOC UNITY AND DISCIPLINE AT HOME

Moscow's preoccupation with developments within and among the East European nations and the impact of those developments on the Soviet Union dominated the central committee meeting that ended on 10 April.

General Secretary Brezhnev, who has been in the forefront of

recent Soviet efforts to counteract the waning solidarity of the Warsaw Pact states, presented the main report at the two-day meeting. His report has not yet been made public and may never be. A statement issued in the name of the central committee at the end of the meeting, however, no doubt presents the broad gist of the report.

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The statement struck a harsh note in tracing bloc disunity to "subversive" Western activities. To meet the danger, the statement indicated, Moscow would do "everything necessary" to strengthen the political, economic, and military unity of the Communist countries. The importance of the Dresden meeting of 23 March, where proposals to "improve" the joint command of the Warsaw Pact forces and to increase economic cooperation were broached, was particularly stressed.

The statement, in reviewing Soviet positions on other current international questions, made only a brief reference to Vietnam. It pledged further aid to Hanoi, but took note of recent peace moves by saying that this aid would be given "in the name of the earliest peace in Vietnam."

Moscow appears determined to improve domestic defenses against "alien" influences. The statement called for greater party vigilance in the cultural field to head off the infiltration of such influences, which have regularly been blamed over recent months for the continuing intellectual dissent. The list of speakers in the debate on Brezhnev's report also showed this concern to maintain ideological discipline at home. In addition to the provincial party bosses who normally speak at party plenums, this week's meeting was addressed by several officials from the cultural, ideological, and propaganda fields, including the

chief editor of Pravda, the minister of culture, the secretary of the board of the USSR Writers' Union, and the director of the Marxism-Leninism Institute.

The meeting approved the appointment of 40-year-old Konstantin Katushev, a fast-rising party technocrat from the industrial province of Gorky, to the central party secretariat. Katushev appears to owe his rapid advance in the party hierarchy primarily to the influence of senior party secretary Kirilenko, who has supervised party affairs in the Russian Republic and has had a hand in overseeing industrial management. The new secretary has probably also been given a leg up by Brezhnev, who personally presided over his installation as the party boss of Gorky Oblast just over two years ago.

The removal last year of Yury Andropov and Aleksandr Shlepin left vacancies in the secretariat for specialists in party relations within the bloc and in consumer goods production. There have also been indications since February that party secretary Suslov has been forced--perhaps for reasons of ill health--to yield some of his functions as Brezhnev's second-in-command to Kirilenko. If there has been a general reshuffling of secretarial portfolios, Katushev may take on some of Kirilenko's responsibilities.

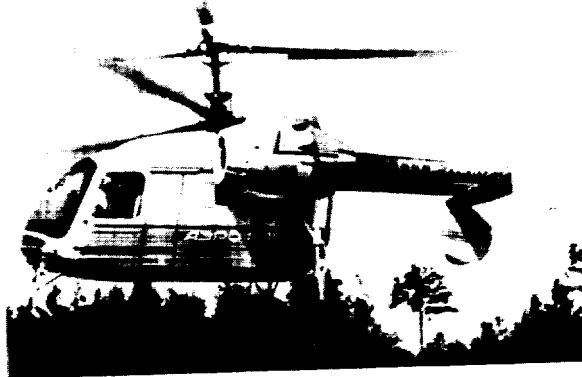
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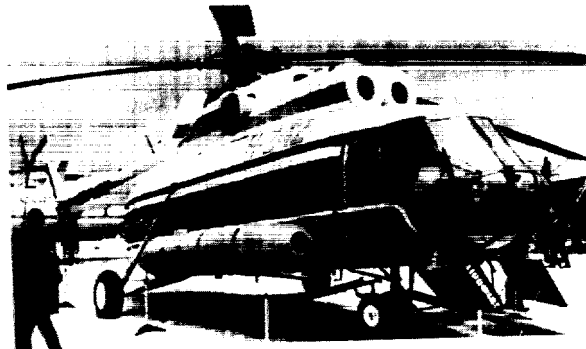
MI-4 HOUND



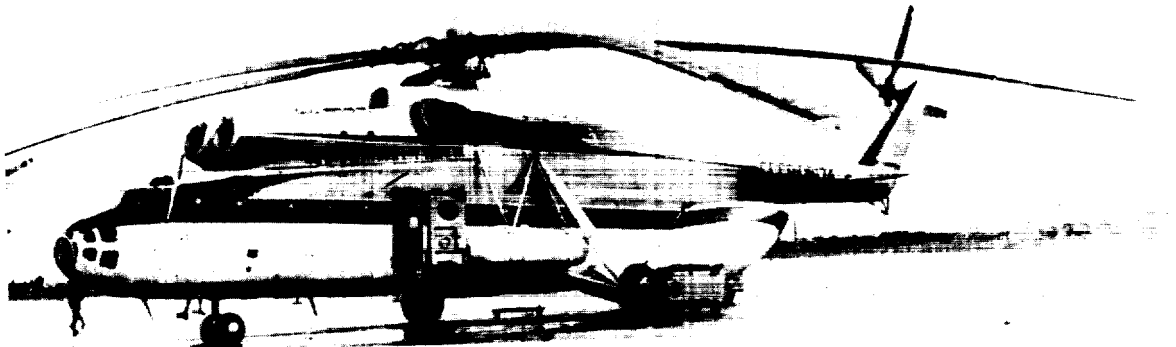
KA-26 HOODLUM



MI-10 HARKE



MI-8 HIP



MI-6 HOOK

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USSR INCREASING HELICOPTER SALES TO THE WEST

The USSR is finding Western markets increasingly receptive to its helicopters which formerly sold primarily in connection with military aid pacts. Prospective purchasers now include public agencies in the underdeveloped countries and private business corporations in Western industrial countries.

The USSR has exported more than 400 helicopters to non-Communist countries. A substantial proportion of these has been the MI-4 Hound utility helicopter, which has been shipped to at least 17 free world countries. A few of these 12-passenger aircraft continue to be exported, although production of the MI-4 is believed to have ended in 1967.

During the past year, the Soviets have been offering instead the larger MI-8 Hip helicopter as an all-purpose utility machine. Deliveries of the MI-8 have already been made to Egypt, Cuba, and Afghanistan.

The Soviets are meeting no competition in their efforts to sell the MI-6 Hook, the world's largest operational helicopter. This aircraft, which can carry 65 troops or almost nine tons of cargo, has been exported to Egypt, Indonesia, and Pakistan for use as a troop transport. The MI-10 Harke "flying crane," which can lift more than 16 tons, was developed from the MI-6. It has been demonstrated in Western Europe and has attracted some interest from oil companies.

In addition, the Soviet sales effort is becoming more polished. In the campaign to push sales of the new KA-26 Hoodlum multipurpose helicopter, glossy brochures with overlays depicting the aircraft's versatility have been distributed to aircraft dealers. This helicopter comes in several models including passenger, cargo, and agricultural versions. Several countries have already shown interest.

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NEW CZECHOSLOVAK REGIME TO SLOW POLITICAL CHANGES

The keynotes in the party's immediate future will be moderation and stabilization.

Although each member of the new party presidium and secretariat is probably committed in some degree to Dubcek's reform program, there appears to be a balance between persons with conservative records and genuine reformers. Cernik and Kolder in particular, may exert a restraining influence on others like Smrkovsky and Spacek, who advocate a far more liberal course. The secretariat has a similar balance. There is no guarantee, however, that any of the present leaders will act as they have in the past--they have already been severely criticized by unsatisfied progressives and scandalized conservatives.

The new government, appointed on 8 April, probably will proceed with due deliberation in implementing the "action" program. Many of the ministers, headed by Premier Cernik, were selected because of their records as competent technicians in the previous government. In addition to Cernik, formerly conservative members of the new government include deputy premiers Strougal and Hamouz and ministers Krejci and Machacova. Reform-minded ministers probably will

coalesce around Deputy Premier Ota Sik, a long-time advocate of radical reforms. Moreover, if the government appears to be dragging its feet on reforms, Josef Smrovsky, the determined liberal leader of parliament, can be expected to call it to task.

The key ministries of Interior, Foreign Affairs, and Defense have been entrusted to men presumably loyal to Dubcek. There are six Slovaks, including deputy premiers Husak and Colotka, but the Slovaks are still underrepresented relative to their numbers in the over-all population. The non-Communist Socialist and People's parties are again represented by the justice and health ministers, respectively. In keeping with the party's decision to prevent concentration of power by separating party and government posts, only Cernik has dual functions.

Dubcek has endorsed a controversial call for holding a party congress before the scheduled date of 1970 so that the party might assess the results of the new "action" program. Preliminary reports on this document indicate that the Czechoslovak reform will be among the most liberal ever attempted by any Communist government.

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CZECHOSLOVAKIA

GOVERNMENT

Appointed 8 April 1968

PREMIER

Oldrich Cernik

DEPUTY PREMIERS

Peter Colotka
Frantisek Hamouz
Gustav Husak
Ota Sik
Lubomir Strougal

MINISTERS

Josef Boruvka
Martin Dzur
Miroslav Galuska
Jiri Hajek
Julius Hamus
Vladimir Kadlec
● Josef Krejci
Bohuslav Kucera
● Bozena Machacova
Josef Pavel
Oldrich Pavlovsky
● Frantisek Penc
Stanislav Razl
Frantisek Rehak
● Bohumil Sucharda
Josef Trokan
Vaclav Vales
Vladislav Vleck
Miloslav Hruskovic
● Josef Korcak
Frantisek Vlasak
Vaclav Hula
Michal Stancel

Agriculture and Food
National Defense
Culture and Information
Foreign Affairs
Forestry and Water Economy
Education
Heavy Industry
Justice
Consumer Goods Industry
Interior
Internal Trade
Mining
Chemical Industry
Transportation
Finance
* Building Industry
Foreign Trade
Health
Minister-Chairman, State
Commission for Technology
Minister-Chairman, Central
Power Administration
Minister-Chairman, State
Planning Commission
Minister Without Portfolio
Minister Without Portfolio

PARTY

Elected 4 April 1968

PRESIDIUM

▷ ● Alexander Dubcek
Frantisek Barbirek
Vasil Bilak
● Oldrich Cernik
● Drahomir Kolder
Frantisek Kriegel
▷ ● Jan Piller
▷ ● Emil Rigo
Josef Smrkovsky
▷ ● Josef Spacek
Oldrich Svestka

ALTERNATE PRESIDIUUM

● Antonin Kapek
Josef Lenart
● Martin Vaculik

SECRETARIAT

● Alexander Dubcek
● Cestmir Cisar
Alois Indra
● Drahomir Kolder
Josef Lenart
● Stefan Sadvovsky
Vaclav Slavik
Oldrich Vlenik
Zdenek Mlynar

* New ministry

⊕ Former incumbent

▷ Became member in Jan 68

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CZECH LEADERS PUSH ECONOMIC REFORMS

The new Czech regime is proceeding cautiously but resolutely with its economic reform program. In time it may be able to attract some of the foreign aid and investment it needs to overcome its heritage of severe economic problems.

Priorities are now being established under an "economic action program." Priority measures will include a redirection of investments to force a shift in emphasis from heavy industry to consumer-oriented sectors, particularly agriculture, housing, and services. Enterprise managers are to give added incentives in the form of increased responsibilities. They are to see that workers are paid primarily according to the results of their work.

Enterprises soon will be permitted to enter into some form of market competition in an effort to improve efficiency and labor discipline, according to Premier Cernik. Cernik has stated that a basic re-evaluation of planning and marketing functions is necessary.

Regime leaders realize that the deficiencies these measures are intended to remedy are deep-seated, and that it will take time to increase efficiency in the use of resources and to raise standards of quality.

The process could be speeded up with large-scale foreign economic aid, and the Czechs are looking for credits both from Communist countries and from the West. The former evidently responded unfavorably when such requests were made at the recent Dresden Conference. Czechoslovakia is likely, however, to obtain short-term credits from the USSR to tide it over its immediate balance-of-payments problems.

Premier Cernik and Finance Minister Sucharda recently spoke of the desirability of obtaining new technology with Western credits, and Prague probably will seek aid from international organizations and Western business firms. The new regime apparently hopes to open a substantial line of credit by reactivating Czechoslovakia's membership in the International Monetary Fund, and Czech economists have urged an approach to the World Bank for long-term credit.

Assistance from international sources would avoid the political implications of accepting major commitments from individual Western governments. In this connection, loan offers from France and West Germany to the Novotny regime in 1967 reportedly were turned down, the former because it was tied to purchases from France only and the latter because of the political conditions it entailed.

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POLISH PARTY STRUGGLE CONTINUES

The factional struggle within the Polish Communist Party is producing major changes in top government posts, which will lead to subsequent shifts in the upper reaches of the party.

The nomination by parliament on 10 April of Defense Minister Marian Spychalski to replace Edward Ochab in the ceremonial post of head of state probably signals a further weakening of party leader Gomulka's position. Spychalski has been Gomulka's staunchest ally in the party politburo, in which he probably will remain for the time being. As defense minister, however, he has been unable to control the political attitudes of some nationalistic elements within the officer corps which opposed both Gomulka's pro-Soviet stand during the Middle East crisis of last summer and the violent repression of recent student demonstrations.

The new defense chief is a 45-year-old deputy defense minister, Chief of Staff Major General Wojciech Jaruzelski, a professionally competent officer who is strongly pro-Soviet. Jaruzelski has no known record of political commitments to party factions, and probably will be loyal to whomever emerges on top from the current political strife. His appointment, however, indicates that hard-line party elements, led by Interior Minister Moczar, were unable to place their own man, Deputy Defense Minister Korczynski, in this key post.

Gomulka made no attempt to provide leadership during the scheduled 9-10 April session of parliament, although he participated in the meetings and may have been active behind the scenes. The prolonged and indecisive character of the parliamentary meetings and the rampant speculation in Warsaw over other expected government shifts indicate that crucial decisions have not yet been reached. No single faction--including Moczar's chauvinistic hard-line group, provincial party leader Gierek's reformist elements, or Gomulka's old guard--now appears to command a majority within the party. For the time being, the struggle between these groups will continue to be felt through purges of the lower and middle levels of the party and state apparatus.

The mounting public witch-hunt against Jews and liberals is also part of the factional jockeying for power, and is designed in part to influence the selection of delegates to the party congress scheduled for later this year. A prolonged factional struggle may thus be in the offing. At the same time, the hard liners' use of the police apparatus and their control over virtually all public media are creating an atmosphere of tension and fear. If such an atmosphere is sustained for long, it could cause renewed public unrest.

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MIDDLE EAST - AFRICA

King Husayn's weekend visit to Cairo produced no public indications of any breakthrough in the Arab-Israeli impasse, nor in Husayn's increasingly difficult situation. With domestic opposition to Husayn's cautious policies growing and coalescing, Israel tightened the screws on the King by announcing a policy of immediate retaliation for Arab terrorist acts. The announcement followed an Israeli foray in "hot pursuit" of terrorists, [REDACTED]

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Southern Yemen President al-Shaabi's public speeches are fraying the taut truce between the army command and the country's more radical revolutionaries. The army leaders are bristling over al-Shaabi's growing favoritism toward the extremists but have not yet tried another push against them.

Fighting slowed in Nigeria as Federal forces regrouped and resupplied following their recent victories. The Biafrans spent the week preparing new defensive positions. Third-party efforts to bring the two sides together for peace talks are continuing, but neither side has modified its terms.

In Rhodesia, the regime's own constitutional commission has recommended a new constitution that would eventually make Africans eligible for half the seats in the legislature while guaranteeing the other half to the white minority. Neither the African nationalists nor the white ultra-extremists will regard this provision as an acceptable compromise.

Students in Ethiopia continue to be restive, and precautionary security measures are in effect throughout Addis Ababa.

Tensions are rising again in Sierra Leone. Militant adherents of the proscribed former opposition party now appear convinced that the ruling junta has reneged on its promise of an early return to civilian government. [REDACTED]

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ISRAEL TOUGHENS REPRISAL TACTICS AGAINST JORDAN

Israel appears to have adopted a policy of retaliating immediately and without warning against terrorist acts.

The first manifestation of this tactic occurred on 8 April when a small Israeli unit in "hot pursuit" of terrorists crossed the Jordan River south of the Dead Sea. The Israelis claim to have killed some saboteurs and to have destroyed a house at a commando base six miles inside Jordan while avoiding contact with Jordanian forces. An Israeli military spokesman subsequently stated that future terrorist forays risk similar reprisals. On the same day, Israeli artillery shelled Jordanian positions north of the Dead Sea following a mining incident in which three Israelis were killed.

Meanwhile, pressures are continuing in Jordan for the regime to take a more militant posture toward Israel. The belief is increasing within the army and among the populace that Jordan should seek arms assistance from the USSR and at the same time offer practical support to the terrorist raiders. King Husayn is now apparently trying to collect promises of support from other Arab countries in the event of more Israeli reprisal raids.

Political opposition in Jordan is hardening, although there is as yet no unified opposition group. At this time, some opponents of the regime are planning in terms of a new government under Husayn. The major aim of this group, composed largely of radicals--Baathists, Nasirists, and Communists--is a coalition government that would follow a program of active and total resistance to any Israeli occupation of Jordanian territory, including Arab Jerusalem.

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WESTERN HEMISPHERE

The pre-election crisis in Panama has eased, but political activity there and in several other countries still centers on past and coming electoral contests.

Arnulfo Arias' hopes for the Panamanian presidency have suffered further setbacks following the National Guard's effective use of force to support the Robles government. The Supreme Court annulled the National Assembly's conviction of President Robles on impeachment charges, and Robles secured control over the electoral tribunal in charge of arrangements for the elections on 12 May. In his appeal for votes, Arias now is calling for renegotiation of the canal treaties, and Panamanian-US relations may receive more attention before election day.

Political tensions remain high in Honduras following the Lopez government's sweep of municipal elections on 31 March. In protest against the government's intimidation of the voters, the opposition Liberal Party has called on its few elected members to withdraw from their posts. In the Dominican Republic, most opposition forces are boycotting the municipal elections scheduled for 16 May and prospects are dim for any meaningful contests. Ecuador's presidential campaign, with two months to go, continues to be marred by violence. In contrast, the Bahamian elections on 10 April were both hard-fought and peaceful. Premier Pindling's government won a much enlarged majority--29 of the 38 seats in the House of Assembly.

Brazil's student disturbances have tapered off but some leading churchmen have spoken up in support of the students and have condemned the government's performance. The Costa e Silva administration this week took its first step aimed at muzzling oppositionist Carlos Lacerda, whose vituperative criticisms have kept its nerves on edge.

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POLITICAL TENSION STILL SIMMERING IN BRAZIL

The student disorders that swept the nation last week have subsided, but political tension continues in Brazil.

Some leading Catholic churchmen have severely criticized not only the government's handling of the student disturbances, but also its entire performance since the 1964 revolution. This sweeping condemnation--written by the vicar general of Rio de Janeiro--underscores church dissatisfaction with the current situation and seems sure to increase tension between the government and church. Moreover, it will probably encourage some of the more radical priests to step up their support for extremist student groups.

The government has been reluctant to dispute openly with the church over past criticism and probably will try to paper over the current incident. The new manifesto, however, may result in increased pressure from the military for some government regulation of the activities and pronouncements of the more militant priests.

Meanwhile, the government has finally made the first move aimed at muzzling fiery opposition leader Carlos Lacerda. On 5 April, the government banned any activity by Lacerda's "Broad Front" political movement and prohibited press publicity for it. The edict reiterated the legal measures available to deal with political activity by proscribed politicians--such as former presi-

dents Goulart and Kubitschek, who are Lacerda's partners in the front. It also served notice that the administration is willing to resort to arbitrary measures when it deems them necessary.

The edict is a clear warning to Lacerda that, if he continues his vituperative criticism of the administration, he risks incurring sterner measures. The edict is not likely to silence Lacerda, however, and may instead help his cause if it makes him an opposition rallying point. He may well choose to challenge the legality of the edict in the courts, which have often found against the government. The edict's wording is vague, moreover, and can be interpreted to allow Lacerda to continue activity in his own name, in a renamed front group, or under the aegis of the legal opposition party.

So far, President Costa e Silva's only follow-up has been a restatement of the legality of the government's actions, its desire to consider "valid" student complaints, and its respect for the press. He ascribed the recent disorders to a "vast plan by extremists who want to overthrow the government," and said that he had ordered military intervention only to stop "excesses" by civilian police. His words are not likely to soothe his critics on either the right or the left unless the government acts to alleviate legitimate popular grievances. 25X1

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PANAMA OPPOSITION CANDIDATE FACES TOUGH ELECTION FIGHT

The opposition National Union (NU) has abandoned its efforts to install rival "president" Delvalle as chief executive and is concentrating its attention on the presidential elections scheduled for 12 May. The Supreme Court ruling on 4 April, which nullified the National Assembly's impeachment and conviction of President Robles, was a major setback for NU presidential candidate Arnulfo Arias and the four former government parties backing him.

The Arias camp was dealt another blow almost simultaneously when a pro-Arias magistrate on the three-member electoral tribunal was bought off by Robles' government minister and resigned. This action effectively shifted control of the tribunal to the government--now in a position to manipulate the election outcome--because the alternate magistrate is a cousin of President Robles.

Adding to Arias' troubles are the strains within his fragile alliance. Some of his colleagues, now concerned over their prospects for victory, are searching for some alternative to remaining in the Arias camp. Arias, on the other hand, claims that he will continue to recognize Delvalle as the legal president and will pursue his fight for election--alone if necessary. Privately, he accused the other NU parties of try-

ing to undermine him, noting that his wealthy allies had met him only half way in the aborted effort to foment a general strike.

In a brief televised speech on 8 April--his first since the high court threw out Robles' impeachment--Arias called for his followers to use the ballot "to rescue the fatherland from the hands of the corrupt and traitorous." In a sudden shift of tactics, Arias urged the people to demonstrate their repudiation of the draft canal treaties negotiated by Robles with the US. Having failed in all other efforts to draw support, Arias may now intend to whip up emotions on the canal issue.

He has a difficult path ahead of him, with the government firmly entrenched in a position to determine the outcome of the elections. The apathy displayed by most Panamanians during the crisis is likely to work to his disadvantage. Moreover, National Guard Commandant Vallarino can be expected to use every means at his disposal to ensure a government victory at the polls. In any case, even if the NU wins the election, the National Guard is still determined to prevent Arias' assumption of the presidency.

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HONDURAN OPPOSITION PULLS OUT OF GOVERNMENT

The fraud and violence during the municipal elections on 31 March will probably end preliminary steps toward cooperation between the opposition Liberal Party and the government. As a result, Honduras seems likely to suffer more political instability than it has for the past four years.

The ruling Nationalist Party won 240 of the 280 municipalities--a victory so obviously rigged that it has embarrassed some Nationalist leaders.

Intimidation and fraud are not new in Honduran elections, and there is ample evidence that both were widespread this year, perhaps even more so than usual. At least 15 persons were killed and scores were injured during the balloting. Nationalist Party goon squads, organized and funded by Vice President and Minister of the Presidency Ricardo Zuniga, were much in evidence in rural areas. In addition, the Nationalists used pork barrel tactics, offering rewards to towns that supported the government and threatening to deny civic improvements to those remaining loyal to the Liberals.

Liberal leaders---angered at President Lopez for not heeding

their ultimatum that he void the elections and dismiss Zuniga--have notified the electoral council that they are withdrawing all party members from municipal, departmental, and national electoral boards. Liberal winners in municipal elections have been ordered not to take their posts and deputies have been told to retire from the Congress.

Zuniga, who has admitted to US officials that he masterminded the fraud, has stated that a total annulment of the elections is unrealistic. He has implied that the Nationalists are willing to call new elections in several cities and that he is prepared at least to talk to the opposition about some sort of accommodation, but this is not likely to satisfy the Liberals.

In any case, even if the few Liberals now in office can be persuaded to follow party orders and give up their lucrative posts, the functioning of the government will not be undermined. Threats of a general protest strike could bring some conciliatory gesture from President Lopez, but the Liberals lack the military support they would need to extract any real concessions from the government.

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